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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 17, 1998

APPLICATION OF

SHANNON FOREST WATER CORPORATION

CASE NO. PUE970752

For a certificate of public
convenience and necessity

ORDER INVITING WRITTEN COMMENTS AND REQUESTS FOR HEARING

On September 5, 1997, Shannon Forest Water Corporation ("Shannon Forest" or "the Company") filed its application for a certificate of public convenience and necessity. In its application, the Company requests authority to provide water service to portions of a subdivision known as Shannon Forest in Boones Mill, Virginia. The portions to be served are Sections I, with the exception of Lots 9 and 10, II, III, IV, and V.

In addition, the Company requests approval of the following tariff:

Water Rates

1. Service Connections:

- (a) ¾-inch service connection - \$500.00
- (b) Service connection over ¾-inch - actual cost to the Corporation but in no event less than that for ¾-inch connection

2. Metered Rates:

<u>Gallons Per Month/Quarter</u>	<u>Rate</u>
For the first 2,000	\$7.50 per 1,000 gallons
For all over 2,000	\$2.00 per 1,000 gallons

3. Minimum Charge:

There shall be a monthly minimum service charge of \$15.00 for water service and no bill will be rendered for less than the minimum charge. The minimum monthly service charge shall become effective when the water service is connected to the lot.

Shannon Forest bills monthly in arrears.

Before providing water service, the Company may require of any customer a cash deposit or other suitable guarantee to secure the performance of the terms and conditions under which water service is supplied. The maximum amount of any deposit shall not exceed the customer's estimated liability for two months' usage.

The Company proposes a \$100 meter test charge for meters where the average error is greater than 2 percent, or where a test has been conducted within the past 24 months and no error was found. In addition, Shannon Forest has a bad check charge of \$6.00, and a late payment fee of 1 ½ percent per month on any customer charges not timely paid.

The Company's tariff with its rules and regulations of service may be viewed during regular business hours at the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia and at the Company's office located at 20379 Virgil Goode Highway, Rocky

Mount, Virginia 24151, during the hours of 9:00 a.m. to 4:00 p.m. Monday through Friday.

NOW THE COMMISSION, having considered the Company's application, is of the opinion and finds that this application should be docketed, that Staff should investigate and analyze the application and present its recommendations to the Commission and that the public should have an opportunity to comment and request a hearing on the application. Accordingly,

IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE970752.

(2) The Company shall make a copy of its application and exhibits available for public inspection at the office of Shannon Forest Water Corporation, 20379 Virgil Goode Highway, Rocky Mount, Virginia 24151, during the hours of 9:00 a.m. and 4:00 p.m., Monday through Friday.

(3) On or before February 5, 1999, the Company shall file the following financial information with the Commission's Division of Public Utility Accounting: an income statement, balance sheet, cash flow statement based on utility operations for the calendar year 1998, and a copy of the Company's 1998 tax returns.

(4) Any interested person wishing to comment on the application shall, on or before March 19, 1999, address such comments to: Joel Peck, Clerk, State Corporation Commission,

c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and shall refer to Case No. PUE970752. A copy of such comments shall be simultaneously sent to the Company as follows: Doris H. Hurd, Secretary, Shannon Forest Water Corporation, 20379 Virgil Goode Highway, Rocky Mount, Virginia 24151.

(5) On or before March 19, 1999, any person desiring a hearing in this matter shall file a request for hearing in writing with Joel Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer in his or her request to Case No. PUE970752. A copy of such request shall be simultaneously sent to the Company at the above address.

(6) Appropriate members of the Commission's Staff shall investigate the application and shall submit, on or before April 16, 1999, a report presenting their findings and recommendations.

(7) On or before February 26, 1999, the Company shall mail the following notice (bill inserts are acceptable) to all of its customers:

NOTICE OF APPLICATION OF
SHANNON FOREST WATER CORPORATION
FOR A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY
CASE NO. PUE970752

Notice is hereby given that Shannon Forest Water Corporation ("Shannon Forest" or "the Company") has applied to the State Corporation Commission for a certificate of

public convenience and necessity. In its application, the Company requests authority to provide water service to portions of a subdivision known as Shannon Forest in Boones Mill, Virginia. The portions to be served are Sections I, with the exception of Lots 9 and 10, II, III, IV, and V. In addition, the Company requests approval of the following tariff:

Water Rates

1. Service Connections:

- (a) $\frac{3}{4}$ -inch service connection - \$500.00
- (b) Service connection over $\frac{3}{4}$ -inch - actual cost to the Company but in no event less than that for $\frac{3}{4}$ -inch connection

2. Metered Rates:

<u>Gallons Per Month/Quarter</u>	<u>Rate</u>
For the first 2,000	\$7.50 per 1,000 gallons
For all over 2,000	\$2.00 per 1000 gallons

3. Minimum Charge:

There shall be a monthly minimum service charge of \$15.00 for water service and no bill will be rendered for less than the minimum charge. The minimum monthly service charge shall become effective when the water service is connected to the lot.

Shannon Forest bills monthly in arrears.

Before providing water service, the Company may require of any customer a cash deposit or other suitable guarantee to

secure the performance of the terms and conditions under which water service is supplied. The maximum amount of any deposit shall not exceed the customer's estimated liability for two months' usage.

The Company proposes a \$100 meter test charge for meters where the average error is greater than 2 percent, or where a test has been conducted within the past 24 months and no error was found.

In addition, Shannon Forest has a bad check charge of \$6.00, and a late payment fee of 1 ½ percent per month on any customer charges not timely paid. The Company has filed its rules and regulations of service as part of its application, the details of which may be reviewed by interested parties.

While the total revenues that may be approved is limited to the amount produced by the Company's proposed rates, PLEASE TAKE NOTICE that individual rates and charges approved by the Commission may be either higher or lower than those proposed by the Company.

A copy of the Company's application is available for public inspection at the Company's office located at 20379 Virgil Goode Highway, Rocky Mount, Virginia 24151 during the hours of 9:00 a.m. to 4:00 p.m., Monday through Friday. The application is also available for public inspection Monday through Friday, 8:15 a.m. to 5:00 p.m. at the State Corporation Commission, Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

Comments on this application must be submitted to the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 on or before March 19, 1999. Requests for hearing must also be received by the Clerk on or before March 19, 1999. All correspondence should refer to Case

No. PUE970752. A copy of the comments or requests for hearing must also be sent to the Company as follows: Doris H. Hurd, Secretary, Shannon Forests Water Corporation, 20379 Virgil Goode Highway, Rocky Mount, Virginia 24151.

The Commission may act upon the application without a hearing in the absence of a sufficient written request.

SHANNON FOREST WATER CORPORATION

(8) The Company forthwith serve a copy of this Order on the Chair of the Board of Supervisors of any county and upon the Mayor or Manager or any county, city, or town (or equivalent officials in counties, town and cities having alternate forms of government) lying within the Company's service area. Service shall be made by first-class mail or delivery to the customary place of business or residence of the person served.

(9) On or before March 12, 1999, the Company shall provide the Commission with the proof of notice required in Ordering Paragraphs (7) and (8).